

Message Text

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PAGE 01 STATE 220928

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FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

UNCLAS STATE 220928

E.O. 11652: N/A

TAGS: EFIN

SUBJ: EXIMBANK OF JAPAN'S FINANCING TERMS FOR COMISION FEDERAL
DE ELECTRICIDAD'S PURCHASES

1. IT IS REPORTED THAT EXIMBANK OF JAPAN HAS BEEN PROVIDING CREDITS AT 7 PERCENT INTEREST TO CFE. A U.S. SUPPLIER CLAIMS THAT IN THE CASE OF THE PURCHASE OF TWO 158 MW STEAM TURBINE GENERATORS FOR GUAYMAS UNIT 3 AND 4, BOTH MITSUBISHI AND TOSHIBA OFFERED SIMILAR FINANCING THAT INVOLVED 10 PERCENT DOWN, 90 PERCENT FINANCED, REPAYMENT OVER 10 YEARS AT 7 PERCENT INTEREST. INQUIRIES MADE OF THE JAPANESE EXPORT CREDIT AGENCY HAVE ELICITED LESS THAN SATISFACTORY REPLIES, YET THESE TERMS WOULD HAVE A DIRECT BEARING ON THE TERMS THAT EXIMBANK OF THE U.S. MAY OFFER TO CFE IN THE FUTURE.

2. EXIMBANK WOULD VERY MUCH APPRECIATE EMBASSY MAKING IN-QUIRIES OF BOTH CFE AND NAFIN TO DETERMINE, AS COMPLETE AS UNCLASSIFIED

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PAGE 02 STATE 220928

PRACTICABLE, THE TERMS AND CONDITIONS OF JAPANESE FINANCING

OFFERS. IN PARTICULAR, THE INTEREST RATE ON RECENT OFFERS, INCLUDING LINES OF CREDIT AS WELL AS SPECIFIC CREDITS, AND APPROXIMATE DATES WHEN SIGNED OR OFFERED. IF EMBASSY SO CHOOSES, IT MAY REFER TO GUAYMAS UNITS 3 AND 4 AS SPECIFIC EXAMPLE, BUT

EXIM WOULD PREFER THAT IT NOT LIMIT INQUIRIES TO THIS CASE.

3. EXIMBANK IS PRESENTLY REVIEWING REQUEST FOR A PRELIMINARY COMMITMENT COVERING DOLS 3.9 MILLION SALE OF DISCONNECT SWITCHES TO CFE. IN ADDITION TO FRENCH, GERMAN, AND SWISS COMPETITION, THE U.S. SUPPLIER EXPECTS STRONG COMPETITION FROM MITSUBISHI. IF PRACTICABLE, COULD EMBASSY OBTAIN COPIES OF BIDS AFTER BID OEPNING? EXIM UNDERSTANDS THAT THE BID DATE IS OCTOBER 1, 1975. SISCO

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Disposition Date: 01 JAN 1960
Disposition Event:
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